

Rules

October 14, 2021

Part I (No Change Rules)

PERS

- 145-2-01 Service credit definitions
- 145-2-02 Additional liability for service purchases in the traditional plan
- 145-2-03 Purchase of workers' compensation service
- 145-2-05 Free credit for military service
- 145-2-06 Purchase of military service credit
- 145-2-08 Purchase of school board member service
- 145-2-09 Purchase of exempted service credit
- 145-2-10 Intersystem transfers with non-uniform systems
- 145-2-11 Police and fire or highway patrol service
- 145-2-12 Purchase of optional service
- 145-2-14 Use of "Ohio service credit" in benefit calculations
- 145-2-15 Cincinnati retirement system
- 145-2-17 Purchase of firefighter service
- 145-2-22 Receipt of disability benefits
- 145-2-27 Disability benefit recipient's annual statement
- 145-2-30 Designation of beneficiary prior to retirement
- 145-2-31 Proof of dependency
- 145-2-32 Crediting of interest to beneficiaries lump sum payments
- 145-2-35 Validity of marriage
- 145-2-37 Deferral of survivor benefits
- 145-2-38 Survivors of law enforcement officers killed in the line of duty
- 145-2-40 Benefits payable under R.C. 145.333
- 145-2-42 Retirement incentive plans
- 145-2-44 Selection of payment plan-spousal consent
- 145-2-45 Benefits payable pursuant to R.C. 145.331
- 145-2-46 Beneficiary's percentage under joint-life multiple-life plans
- 145-2-47 Beneficiary and payment plan changes after retirement
- 145-2-48 Beneficiary and payment plan changes after commencement of additional annuity
- 145-2-49 Retirement benefits for law enforcement officers
- 145-2-50 Actuarial reduction factors

145-2-51	Effective date of benefits
145-2-52	Application by a contributor for refund of accumulated contributions
145-2-53	Cost of living adjustment
145-2-54	Enhanced refund
145-2-57	Annual interest credited to contributor accounts
145-2-60	Designation of beneficiaries under the multiple-life plan
145-2-62	Calculation of amount due retirant or contributor with multiple beneficiaries under the multiple-life plan
145-2-64	Priority of multiple court orders under the multiple-life plan
145-2-65	Internal Revenue Code limitations on benefits
145-2-67	Eligible rollover distributions from this plan
145-2-70	Mandatory direct deposit

145-2-01

Service credit definitions.

- (A) For service purchased or restored in the traditional pension plan under sections 145.28, 145.295, 145.2911, 145.2913, 145.31, and 145.311 of the Revised Code, "eighteen months of contributing service credit in the system," means eighteen months of contributing service credit under the traditional pension plan, inclusive of service credit transferred from a prior plan to the traditional pension plan pursuant to rule 145-2-18 of the Administrative Code.
- (B) For purposes of division (H)(1) of section 145.01 of the Revised Code, "contributing service in this system" means contributing service credit under the traditional pension plan.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.01, 145.28, 145.295, 145.2911, 145.2913, 145.31, 145.311
Prior Effective Dates: 06/19/1947, 12/04/1989, 10/03/1992, 01/01/2003, 01/01/2009, 01/01/2011, 01/07/2013 (Emer.), 03/24/2013, 01/01/2016

145-2-02

Additional liability for service purchases in the traditional pension plan.

- (A) This rule amplifies section 145.29 of the Revised Code.
- (B) As used in this rule, “service credit” means both of the following:
- (1) Service credit that may be purchased or obtained under sections 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.299, and 145.47 of the Revised Code, as those sections existed on and after January 7, 2013.
 - (2) Service credit that may be purchased or obtained under section 145.814 of the Revised Code or rule 145-2-18 of the Administrative Code for an election that is effective on or after August 1, 2013, under section 2.03 of the combined or member-directed plan document, as amended on January 7, 2013.
- (C)
- (1) Except as provided in this paragraph, the public employees retirement system shall calculate the cost to purchase service credit by using the greater of the member’s final average salary or the member’s earnable salary for the twelve months of contributing service under Chapter 145., 3307., or 3309. of the Revised Code immediately preceding the month in which the application to purchase is received by the system. If the member’s election to purchase service described in paragraph (B)(2) of this rule occurs less than twelve months after the effective date of a plan change, the system shall calculate the cost to purchase service credit by using the final average salary or last twelve months of earnable salary in the prior plan.
 - (2) The public employees retirement board shall, based upon its actuary’s recommendation, establish the percentage rate for the cost of the service credit in the traditional pension plan.
- (D) Payments made by a member to purchase service credit under section 145.29 of the Revised Code and this rule shall be credited to the employees’ savings fund and shall be considered the accumulated contributions of the member.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.29
Prior Effective Dates: 01/07/2013 (Emer.), 03/24/2013, 07/07/2013 (Emer.),
09/16/2013, 05/08/2014, 03/23/2015 (Emer.),
06/06/2015

145-2-03

Purchase of workers' compensation service.

- (A) A member is not eligible to purchase service under section 145.2915 of the Revised Code if any of the following circumstances apply:
- (1) Service credit for the period of receiving workers compensation was obtained by the member under the version of division (H) of section 145.01 of the Revised Code that existed prior to January 7, 2013;
 - (2) The member is eligible to purchase the service under section 145.291 or division (G) of section 145.47 of the Revised Code;
 - (3) Service credit for the period of receiving workers compensation was obtained under section 145.483 of the Revised Code;
 - (4) The member has not made a redeposit of contributing service pursuant to section 145.31 of the Revised Code or rule 145-3-22 of the Administrative Code for which a member received a refund of the member's accumulated contributions pursuant to section 145.40 of the Revised Code or article VIII of the combined plan document, for any period of contributing service adjacent to the period of receiving workers compensation; or
 - (5) The member received a benefit from the system for the period of receiving workers compensation.
- (B) The employer contributions due pursuant to section 145.2915 of the Revised Code shall be billed to the public employer after the member has paid all or part of the corresponding employee contributions. If the employer fails to remit the required payments, any employer contributions not paid shall be certified for collection and subject to the same penalty and interest described in section 145.51 of the Revised Code.
- (C) The limit described in paragraph (F) of section 145.2915 of the Revised Code also applies to service credit obtained under Chapter 742. or 5505. of the Revised Code for a period the member was out of service and receiving workers' compensation.
- (D) If a member is eligible to purchase more than one period of workers compensation service, the purchase shall be completed in the order of the most recent period to the earliest period.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.2915
Rule Amplifies: 145.2915
Prior Effective Dates: 07/07/2013 (Emer.), 09/16/2013, 03/23/2015 (Emer.),
06/06/2015

145-2-05

Free credit for military service.

(A) This rule amplifies section 145.30 of the Revised Code.

(B) Definitions

- (1) "Maintained membership" means any of the following:
 - (a) The member's contributions remained with the public employees retirement system during the military service;
 - (b) The member's accumulated contributions before the member's military service were refunded pursuant to section 145.40 of the Revised Code and redeposited pursuant to section 145.31 of the Revised Code; or
 - (c) The member was exempt from membership or not a contributor to the retirement system before the member's military service, but Chapter 145. of the Revised Code authorizes a retroactive payment to establish membership before the member's military service.
- (2) "Military service" means active duty in the branches of the armed forces as defined in section 145.30 of the Revised Code.
- (3) "Total service credit as defined in section 145.01 of the Revised Code of twenty years" means twenty years of Ohio credit exclusive of military or uniformed service.
- (4) "Was a member" means membership before the member's military service was established in the same manner as defined in paragraph (B)(1) of this rule.
- (5) "Was or is out of active service as a public employee by reason of having become a member of the armed forces" means:
 - (a) On or before November 13, 1965, the member established membership in the retirement system with one deduction and no more than three months had elapsed between the termination of the member's contributing service and the date the member entered military service;
 - (b) After November 13, 1965, the member established one year of service credit in the retirement system and no more than three months have elapsed between the termination of the member's contributing service and the date the member entered military service.
 - (c) For military service that begins before November 13, 1965 and terminates after such date, free military service credit shall be granted if the member

meets the eligibility requirements pursuant to section 145.30 of the Revised Code in effect during each period of military service before and after November 13, 1965 and not more than three months had elapsed between the termination of the member's contributing service and the date the member entered military service.

(C)

- (1) The service credit to which a member is entitled shall be calculated from the date the member entered military service through the date the military service terminated.
- (2) The member shall submit report(s) of separation (form DD214) or other satisfactory documentation as evidence of military service and discharge to the retirement system.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.30
Prior Effective Dates: 07/13/1972, 01/02/1990, 11/02/1996, 03/27/1999,
11/02/2000, 01/01/2003, 01/01/2007, 01/07/2013
(Emer.), 03/24/2013

145-2-06

Purchase of military service credit.

- (A) This rule amplifies sections 145.301 and 145.302 of the Revised Code.
- (B) The member shall submit report(s) of separation (form DD214) or other satisfactory documentation to the public employees retirement system as evidence of the member's military service, active or inactive duty points, if applicable, and discharge.
- (C) If a member has been in military service more than once as evidenced by more than one report of separation or service and wishes to purchase credit under section 145.302 of the Revised Code for more than one period of military service, interest as set in rule 145-1-35 of the Administrative Code shall be charged from the date the member last terminated military service.
- (D) For military service purchased under section 145.301 of the Revised Code:
- (1) A member shall have at least twelve months of contributing service for purposes of the calculation described in paragraph (D)(2) of this rule;
 - (2) The retirement system shall calculate the cost by using the greater of the member's final average salary or earnable salary for the twelve months of contributing service under Chapter 145., 3307., or 3309. of the Revised Code immediately preceding the month in which the application to purchase is received by the system. The public employees retirement board shall, based upon its actuary's recommendation, set the percentage rate for the cost of service allowed under section 145.301 of the Revised Code.
- (E) Where applicable, the member's public employer shall certify information including, but not limited to, the earnable salary the member would have earned during the member's military service on a form provided by the retirement system.
- (F) The employer contributions due pursuant to section 145.302 of the Revised Code shall be billed to the employer for payment after the member has paid all or part of the employee contributions due. If the employer fails to make the payments required, any employer amounts not paid shall be certified for collection and subject to the same penalty and interest described in section 145.51 of the Revised Code.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.301, 145.302
Prior Effective Dates: 08/15/1973, 01/01/1978, 01/02/1990, 08/06/1990,
11/02/1996, 05/04/2000, 01/01/2003, 01/01/2007,
01/07/2013 (Emer.), 03/24/2013, 01/01/2017

145-2-08

Purchase of school board member service.

(A) This rule amplifies section 145.299 of the Revised Code.

(B)

- (1) The member shall submit a written request that shall include a certification of the service on a form provided by the public employees retirement system.
- (2) A member shall purchase credit for such service only by a lump-sum payment as defined in rule 145-1-35 of the Administrative Code.
- (3) A member may purchase credit only for such qualified service that occurred prior to June 30, 1991.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.299
Rule Amplifies: 145.29, 145.299
Prior Effective Dates: 09/30/1991, 01/01/2003, 01/01/2007, 01/07/2013
(Emer.), 03/24/2013

145-2-09

Purchase of exempted service credit.

(A)

- (1) For service which would have been covered by Chapter 145. of the Revised Code, but was exempted, a member shall make a request to purchase credit for this service on a form provided by the public employees retirement system.
- (2) The employer for which the service was performed shall complete the certification of such service on the form and attach to the form a copy of each approved written exemption from membership on file with the employer for such member.
- (3) After receipt of the completed form, the retirement system shall determine the amount of service credit that would have been earned had the service not been exempted.

(B) For service which would have been covered by Chapter 3307. or 3309. of the Revised Code, but was exempted and must be purchased in this system, this retirement system shall request certification from the other retirement system that such service was exempted and the amount of the credit for such service, which shall be determined from a certification of the employer for which the service was performed.

(C) The service credit purchased pursuant to section 145.28 of the Revised Code and this rule shall be adjusted to the extent that one of the following apply:

- (1) The service is concurrent with any other service that will be used in calculating a benefit;
- (2) The purchase of the service credit results in more than twelve months of credit in a year.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.28
Rule Amplifies: 145.28, 145.29
Prior Effective Dates: 05/21/1992 (Emer.), 08/01/1992, 01/01/2003,
01/01/2007, 01/01/2012, 01/07/2013 (Emer.),
03/24/2013

145-2-10

Intersystem transfers with non-uniform systems.

- (A) This rule amplifies section 145.37 of the Revised Code and applies to members who retire with an effective date of retirement on or after February 1, 2013.
- (B) For the purpose of this rule:
- (1) "State retirement system" and "retention percentage" have the same meanings as in section 145.37 of the Revised Code.
 - (2) "Fiscal year" means, for the public employees retirement system, a calendar year and, for the school employees retirement system and state teachers retirement system, the twelve-month period beginning on July first and ending on June thirtieth.
- (C) For purposes of determining the amount transferred under division (B)(6)(a) of section 145.37 of the Revised Code, all of the following apply:
- (1) The amount contributed by the member includes any amounts paid to restore service credit under section 145.31 of the Revised Code.
 - (2) The amount of employer contributions shall be determined using the lesser of the employer contribution rate in effect at the beginning of the fiscal year for each of the state retirement systems involved in the transfer, less the retention percentage.
 - (3) Any amounts paid by the member to purchase service credit shall include, if applicable, any amounts paid by the employer to purchase service credit.
 - (4) Except as provided in this paragraph, interest shall be calculated beginning on the first day of the fiscal year following the year in which the contributions were made and ending on the last day of the month in which the transfer occurs. If the amount to be transferred includes any amounts paid to purchase service credit, other than amounts paid to restore service credit under section 145.31 of the Revised Code, interest on the amounts paid to purchase service credit shall be calculated beginning on the first day of the month following the last payment to purchase the credit and ending on the last day of month in which the transfer occurs. For each year of service credit to be transferred, the interest rate shall be determined by using the lesser of the actuarial assumption rate in effect at the beginning of the fiscal year for each of the state retirement systems involved in the transfer.
- (D) If a member of the public employees retirement system has contributions to more than one employer division of the system, the employer contribution rate for the system

shall be determined using the last division to which the member contributed. If the period of service and contributions to be transferred includes service that occurred prior to the date the member's most recent division was established, the other state retirement systems shall use the employer contribution rate for the other system for that year.

- (E) For purposes of calculating a retirement or disability benefit under division (B) of section 145.37 of the Revised Code, all of the following apply:
- (1) Except as provided in this paragraph, the service credit and contributions certified by the transferring system shall be divided equally over the number of months in the service credit period certified by the transferring system beginning on the first day of the service credit period and ending on the last day of the service credit period.
 - (2) Service credit certified by the transferring system shall be reduced for any month that the member earned full-time service credit in this system. If the member earned less than full-time service credit in this system for any month, the service credit certified by the transferring system may be added to the earned credit to equal full-time service credit.
 - (3) Except as provided in division (B)(5)(c) of section 134.37 of the Revised Code, service credit certified by the transferring system shall not be reduced for any month that the member did not earn service credit in this system.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.37
Prior Effective Dates: 01/07/2013 (Emer.), 03/24/2013, 03/23/2015 (Emer.),
06/06/2015

145-2-11

Police and fire or highway patrol service.

- (A) This rule amplifies sections 145.295 and 145.2913 of the Revised Code.
- (B) Any payments made by a member to purchase credit pursuant to section 145.295 or 145.2913 of the Revised Code shall not be refunded to a member except as authorized or required under those sections or section 145.40 of the Revised Code.
- (C) A member who purchases or transfers credit under section 145.295 or 145.2913 of the Revised Code shall receive service credit in the public employees retirement system as follows:
- (1) For service earned as a police officer under Chapter 742. of the Revised Code or service earned under Chapter 5505. of the Revised Code, the service credit shall be treated as if it was earned in this system as a law enforcement officer.
 - (2) For service earned as a firefighter under Chapter 742. of the Revised Code, the service credit shall be treated as if it was earned in this system as a member who is not a law enforcement or public safety officer.
- (D) This paragraph applies to purchases and transfers initiated after January 7, 2013. The member's effective date of retirement or disability benefit shall be no earlier than the first day of the month following receipt by the retirement system of the first partial payment or total payment, if paid in full in one payment. The member's effective date of retirement or disability benefit shall be no later than the first day of the month following the ninetieth day after receipt by the retirement system of the first partial payment or total payment, if paid in full by one payment. If the member fails to retire, or terminate employment for purposes of a disability benefit, before the ninetieth day after the first partial payment or total payment is received, the retirement system shall return the amount paid by the member to the member. If the payment was transmitted to the retirement system by a financial institution, the amount received by the retirement system shall be returned to the financial institution.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.295
Rule Amplifies: 145.295, 145.2913
Prior Effective Dates: 04/05/1993, 12/09/1995, 09/27/1998, 03/22/2002,
01/01/2003, 01/01/2007, 01/07/2013 (Emer.),
03/24/2013, 05/08/2014

145-2-12

Purchase of optional service.

For the purpose of section 145.292 of the Revised Code, a member shall have at least twelve months of contributing service for purposes of the calculation described in rules 145-2-02 and 145-3-23 of the Administrative Code.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.292
Prior Effective Dates: 01/07/2013 (Emer.), 03/24/2013

145-2-14

Use of "Ohio service credit" in benefit calculations.

Service credit that is purchased or obtained under section 145.295, 145.2911, 145.2913, 145.301, or 145.302 of the Revised Code that is, or is considered to be the equivalent of, Ohio service credit, shall be used in determining eligibility for a benefit as provided in Chapter 145. of the Revised Code, including the calculation of the member's final average salary and contributing service credit in the public employees retirement system.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.295, 145.2911, 145.2913, 145.301, 145.302
Prior Effective Dates: 01/07/2013 (Emer.), 03/24/2013

145-2-15 **Cincinnati retirement system.**

(A) This rule amplifies sections 145.2910, 145.2911, and 145.2912 of the Revised Code.

(B) "Eligible service credit" means service earned under this system or the Cincinnati retirement system or military service credit purchased or obtained in this system or the Cincinnati retirement system.

(C)

(1) A member of this system, who is eligible to obtain eligible service credit in this system for service credit with the Cincinnati retirement system, shall make a request to obtain credit for such service on a form provided by this system.

(2) Except as otherwise provided in this rule, a member shall make payments required under division (C)(4)(a) of section 145.2911 of the Revised Code pursuant to rule 145-1-35 or 145-1-38 of the Administrative Code. A member may use an eligible rollover distribution for such payments as allowed by rule 145-1-37 of the Administrative Code.

(3) Service credit for a member who obtains credit pursuant to section 145.2911 of the Revised Code and this rule shall be the amount certified by the Cincinnati retirement system upon payment of the following amounts:

(a) Any required amounts due from the member under section 145.2911 of the Revised Code and this rule; and,

(b) The required amounts due from the Cincinnati retirement system under division (C)(4)(b) of section 145.2911 of the Revised Code.

(4) If the Cincinnati retirement system fails to transfer those amounts required under division (C)(4)(b) of section 145.2911 of the Revised Code, this system shall notify the member, and shall not grant the service credit.

(D)

(1) This system shall transfer those amounts required under section 145.2912 of the Revised Code for a member or former member of this system, who is eligible to obtain eligible service credit in the Cincinnati retirement system for service credit with this system pursuant to section 145.2912 of the Revised Code, after:

(a) Receiving notification from the Cincinnati retirement system that the member has requested such transfer;

(b) The member has paid any required amounts to this system; and,

(c) This system has notified the member.

(2) If a member's request for a transfer under division (A)(4)(a) of section 145.2912 of the Revised Code is for less than the member's total eligible service credit with this system, any benefits or payments to which the member or the member's beneficiary or beneficiaries may be entitled shall be based on the remaining service credit with this system.

(E) A member who purchases or transfers credit under section 145.2912 of the Revised Code shall receive service credit in the public employees retirement system as follows:

(1) For service earned as a police officer under the Cincinnati retirement system, the service credit shall be treated as if it was earned in this system as a law enforcement officer.

(2) For all other service earned under the Cincinnati retirement system, the service credit shall be treated as if it was earned in this system as a member who is not a law enforcement or public safety officer.

(F) This paragraph applies to purchases and transfers initiated after January 7, 2013. The member's effective date of retirement or disability benefit shall be no earlier than the first day of the month following receipt by the retirement system of the first partial payment or total payment, if paid in full in one payment. The member's effective date of retirement or disability benefit shall be no later than the first day of the month following the ninetieth day after receipt by the retirement system of the first partial payment or total payment, if paid in full by one payment. If the member fails to retire, or terminate employment for purposes of a disability benefit, before the ninetieth day after the first partial payment or total payment is received, the retirement system shall return the amount paid by the member to the member. If the payment was transmitted to the retirement system by a financial institution, the amount received by the retirement system shall be deposited in accordance with section 145.62 of the Revised Code or returned to the financial institution.

(G) Any payments made by a member to purchase credit pursuant to section 145.2910, 145.2911, or 145.2912 of the Revised Code shall not be refunded to a member except as authorized or required under those sections or section 145.40 of the Revised Code.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.2910, 145.2911, 145.2912
Prior Effective Dates:	11/30/2001 (Emer.), 02/14/2002, 01/01/2003, 01/01/2007, 04/06/2007 (Emer.), 07/01/2007, 01/07/2013 (Emer.), 03/24/2013, 01/01/2018

145-2-17

Purchase of firefighter service.

A firefighter employed before May 1, 1991, who is or becomes a member of the public employees retirement system on May 1, 1991, may purchase firefighter service before May 1, 1991 for any year of non-contributing service as a firefighter not covered by an approved exemption.

A purchase under this rule shall be made in accordance with section 145.292 of the Revised Code and rule 145-2-12 of the Administrative Code.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.01, 145.012, 145.03, 145.29, 145.292
Prior Effective Dates: 01/21/1976, 10/30/1978, 05/01/1991, 08/01/1992,
01/01/2003, 01/01/2007, 01/07/2013 (Emer.),
03/24/2013

145-2-22

Receipt of disability benefits.

- (A) The public employees retirement system shall notify, by regular mail, the member and the member's last employer reporting to the retirement system or other retirement system, as applicable, of an approval or denial of an application for a disability benefit.
- (B) The board may require a member to submit to medical examination(s) by an examining physician(s) provided the medical consultant recommends such examination(s) in order to evaluate continued eligibility for disability benefits. The board's consideration shall remain limited to the disabling condition(s) described in paragraph (B)(2) of rule 145-2-21 of the Administrative Code or as described in paragraph (G) of this rule.
- (C) The board may waive the periodic medical examination as described in section 145.362 of the Revised Code upon the recommendation of the board's medical consultant or when the recipient of a disability allowance is within twelve months of becoming eligible for a benefit under section 145.331 of the Revised Code. A waiver of the periodic medical examination does not prohibit the board from requiring the member to submit to future medical examinations.
- (D) Continued medical treatment
- (1) A member whose disability benefit is approved with the requirement of continued medical treatment must submit required medical treatment reports on a form provided by the retirement system. If the member fails to submit a required report or does not continue the required treatment, the member's disability benefit shall be suspended until such report is received by the retirement system or the member resumes treatment. If such failure continues for one year, the disability benefit shall be terminated in accordance with section 145.35 of the Revised Code and is not subject to appeal to the public employees retirement board.
 - (2) The medical consultant may waive the requirement for continued medical treatment if the medical consultant determines that the treatment is no longer helpful or advisable.
 - (3) A disability benefit recipient enrolled in the rehabilitative services program shall comply with the continued medical treatment as described in paragraph (F) of this rule.
- (E) Reemployment of or public service provided by a disability benefit recipient

- (1) If a disability benefit recipient is restored to service by a public employer as defined in this rule, the disability benefit shall cease in accordance with section 145.362 of the Revised Code and is not subject to appeal to the public employees retirement board.
- (2) Subject to paragraph (E)(3) of this rule, “restored to service” means holding elective office or service as a public employee with any public employer covered by Chapter 145. of the Revised Code, regardless of whether the service is similar or dissimilar to the public employment from which the recipient was found disabled, the amount or type of compensation, if any, or whether the compensation is earnable salary.
- (3) “Restored to service” does not include either of the following:
 - (a) On and after July 1, 2015, service the disability benefit recipient terminates immediately upon notice from the retirement system as described in this paragraph.

Upon receipt of notice that the disability benefit recipient has been restored to service, the system shall notify the recipient on a form provided by the system. The form shall require an affirmation by the recipient that either the service will be terminated in order to continue to receive a disability benefit or the service will continue, which will cause the disability benefit to be terminated. The recipient shall return to the retirement system the signed and notarized form not later than forty-five days after the date it was mailed by the retirement system. If the recipient affirms a continuation of service or the recipient fails to return the form to the retirement system within forty-five days, the disability benefit shall be terminated on the date the recipient was restored to service and any overpayment of disability benefits shall be collected as authorized in Chapter 145. of the Revised Code. If the recipient affirms a termination of service, the termination of service shall be effective on receipt of the notice from the retirement system and any employee contributions remitted for the service shall be unauthorized and returned to the employer. The corresponding employer contributions shall be unauthorized and shall be credited against future employer liabilities.
 - (b) Service performed as an election worker, as defined in rule 145-1-44 of the Administrative Code, who is not a public employee pursuant to section 145.012 of the Revised Code.
- (4) The retirement board shall review the employment of a disability benefit recipient who seeks employment or is employed or compensated by an employer other

than a public employer in a position similar to the position the recipient held as a public employee to determine if the recipient must undergo a medical examination to determine if the disability is ongoing or whether the benefit should be terminated.

(F) Rehabilitative services program

- (1) A disability benefit recipient whose application for a disability benefit was received by the retirement system on or after January 7, 2013, and who was not a law enforcement officer at the time contributing service terminated, may elect to participate in the rehabilitative services program. If the recipient withdraws from the rehabilitative services program, the recipient is eligible to make one additional election to participate. A recipient may elect to participate in the rehabilitative services program under this paragraph not later than six months prior to the beginning of the third year following the benefit effective date.
- (2) For a disability benefit recipient who has elected to participate in the rehabilitative services program, the continued treatment requirement will be satisfied by the recipient's participation in the case management treatment plan through the rehabilitative services program. Prior to the conclusion of the third year following the benefit effective date, non-compliance with the case management treatment plan shall be treated as described in paragraph (D) of this rule. After the conclusion of the third year following the benefit effective date, non-compliance with the case management treatment plan irrevocably terminates the disability benefit recipient's participation in the rehabilitative services program and thereafter the medical examination of the recipient shall be conducted under the standard described in division (B) of section 145.362 of the Revised Code.
- (3) If the recipient has been receiving the benefit for less than five years and the medical consultant determines that there are no rehabilitative services acceptable to the board's medical consultant, the recipient shall be considered on leave of absence and the standard for termination of the benefit is that the recipient is not physically or mentally incapable of resuming the service from which the recipient was found disabled.

(G) Disability from the duties of any position

- (1) Consideration of a recipient's ability to perform any position that meets the criteria in division (B) of section 145.362 of the Revised Code shall include the recipient's physical and mental functionality as based on the recipient's disability record.

- (2) For purposes of evaluating the ability to perform the duties of any position described in division (B) of section 145.362 of the Revised Code, all criteria described in that division shall be determined at the beginning of each review.
- (H) Information gathered or obtained regarding the disabling condition(s) under this rule becomes part of the disability record that is available for review by the medical examiner and medical consultant.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.35, 145.36, 145.361, 145.362, 145.37
Prior Effective Dates:	06/30/1961, 02/01/1993, 10/04/1993, 09/27/1998, 01/05/2001, 01/01/2003, 12/24/2004, 01/01/2007, 02/01/2011 (Emer.), 04/18/2011, 12/10/2012, 01/07/2013 (Emer.), 03/24/2013, 07/07/2013 (Emer.), 09/16/2013, 11/06/2014, 03/23/2015 (Emer.), 06/06/2015, 01/01/2017, 09/01/2017, 01/01/2020

145-2-27

Disability benefit recipient's annual statement.

(A)

- (1) Except as provided in paragraph (A)(3) of this rule, on or before April fifteenth of each year, a disability benefit recipient shall file a statement with the public employees retirement system providing information including, but not limited to: work performed during the preceding calendar year, compensation received for work performed, and current medical information.
 - (2) For disability benefit applications filed on or after January 7, 2013, the statement must also include any evidence of application for social security disability insurance ("SSDI"), benefit payments and a copy of the annual SSDI reward letter, if applicable.
 - (3) A disability benefit recipient is not required to file the statement described in this rule if the recipient is subject to a guardianship, has attained age seventy, or resides in a skilled nursing facility.
- (B) The recipient's statement shall be made on a form provided by the retirement system.
- (C) The failure of a recipient to file such statement shall result in the suspension of a disability benefit until such statement is filed. If such failure continues for one year, the disability benefit shall be terminated in accordance with section 145.362 of the Revised Code and is not subject to appeal to the public employees retirement board.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.362
Rule Amplifies: 145.35, 145.36, 145.361, 145.362, 145.363, 145.37
Prior Effective Dates: 06/04/1982, 02/01/1993, 09/27/1998, 01/01/2003,
01/01/2007, 01/01/2012, 01/07/2013 (Emer.),
03/24/2013, 03/23/2015 (Emer.), 06/06/2015,
05/20/2019

145-2-30

Designation of beneficiary prior to retirement.

- (A) This rule amplifies section 145.431 of the Revised Code.
- (B) A member may designate a beneficiary on a form provided by the public employees retirement system. The designation applies to all retirement plans in which the member has contributions on deposit prior to retirement. If a member or participant has not designated a beneficiary, the beneficiary shall be determined pursuant to section 145.43 of the Revised Code and applicable provisions of the combined and member-directed plan documents.
- (C) A member or participant who designated a beneficiary or beneficiaries prior to the effective date of this rule shall have the last designation in time maintained as the single designation for the member's accounts in the traditional pension plan, combined plan, and member-directed plan.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.431
Prior Effective Dates:	07/07/2013 (Emer.), 09/16/2013

145-2-31

Proof of dependency.

Where dependency as defined in division (A) of section 145.43 of the Revised Code is required for eligibility of benefits pursuant to section 145.43 or 145.45 of the Revised Code, a beneficiary shall file a copy of the deceased member's federal income tax return for the year preceding the member's death, or other satisfactory evidence of dependency to the public employees retirement board.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.43, 145.45
Prior Effective Dates: 08/18/1965, 09/27/1998, 01/01/2003

145-2-32

Crediting of interest to beneficiaries lump sum payments.

For purposes of determining the interest credited to a deceased member's account under section 145.471 of the Revised Code, interest shall be earned through the last day of the month prior to the first payment to a beneficiary under section 145.43 of the Revised Code.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.431, 145.471
Prior Effective Dates:	01/01/2017

145-2-35

Validity of marriage.

In the absence of a valid marriage certificate, the public employees retirement board will accept only a decision rendered by a court, having jurisdiction in the state in which the member was domiciled at the time of death, that the relationship constituted a valid marriage at time of death, or the "spouse" would have the same status as a widow or widower for purposes of sharing in the distribution of the member's or retirant's intestate personal property.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.43, 145.65
Prior Effective Dates:	05/04/2000, 01/01/2003, 01/01/2007, 04/06/2007 (Emer.), 07/01/2007

145-2-37

Deferral of survivor benefits.

- (A) This rule applies to the payment of a benefit to a surviving spouse who has not attained age sixty-five and who elects, pursuant to division (A) of section 145.45 of the Revised Code, to defer receipt of such benefit.
- (B)
- (1) The benefit shall be calculated as if payable on the first day of the month following the death of the member.
 - (2) Notwithstanding paragraph (B)(1) of this rule, the monthly benefit will accumulate and be paid in a single sum no earlier than the first of the month following the surviving spouse's attainment of age sixty-five.
 - (3) Interest shall accumulate during the time of deferral at the interest rate described in division (B) of section 145.473 of the Revised Code.
- (C) The amount calculated under this rule shall not be reduced due to a later recalculation as provided in section 3 of Amended Substitute House Bill 268 of the 111th General Assembly.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.45, 145.473
Prior Effective Dates:	08/20/1976, 08/31/1992, 11/02/2000, 01/01/2003, 01/01/2007

145-2-38

Survivors of law enforcement officers killed in the line of duty.

(A) As used in this rule:

- (1) "Law enforcement officer" has the same meaning as in rule 145-2-39 of the Administrative Code.
 - (2) "Killed in the line of duty" has the same meaning as in section 145.45 of the Revised Code.
- (B) For purposes of determining the eligibility of a qualified spouse under division (B)(2)(a)(i) of section 145.45 of the Revised Code, the employer of the law enforcement officer at the time of the officer's death shall certify, on a form provided by the public employees retirement system, that the law enforcement officer was killed in the line of duty.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.45
Prior Effective Dates:	04/06/2007 (Emer.), 07/01/2007

145-2-40

Benefits payable under section 145.333 of the Revised Code.

- (A) As used in this rule, “retirement allowance” has the same meaning as defined in section 145.333 of the Revised Code.
- (B) If a retirement allowance is reduced under section 145.333 of the Revised Code, the reduced retirement allowance shall become the member’s single lifetime allowance for purposes of sections 145.33, 145.332, and 145.45 of the Revised Code.
- (C) As used in division (E) of section 145.333 of the Revised Code, “full month of service” means any month during which a public employee has earnable salary in the public employees retirement system and does not include the first or last month of employment with a public employer or a period of an approved leave of absence from a public employer.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.333
Prior Effective Dates:	01/07/2013 (Emer.), 03/24/2013, 01/01/2014

145-2-42

Retirement incentive plans.

(A) For the purpose of this rule:

- (1) "Effective benefit date" means the first day of the month immediately following the latest of the following:
 - (a) The last day for which compensation was paid;
 - (b) The attainment of minimum age or service credit eligibility provided under Chapter 145. of the Revised Code;
 - (c) Ninety days prior to receipt by the public employees retirement system of the member's completed retirement application;
 - (d) February 1, 2013, for retirement applications received by the retirement system on or after January 7, 2013.
- (2) "Employee" means each contributing member of the public employees retirement system who is an employee described in division (C) of section 145.297 of the Revised Code regardless of the years of service credit in the retirement system;
- (3) "Employing unit" means an employer as defined in division (A) of section 145.297 or division (A) of section 145.298 of the Revised Code, and if any subordinate designation of an employing unit is made then the retirement system shall be notified in accordance with paragraph (B) of this rule; and
- (4) "Retirement incentive plan" means a plan established pursuant to section 145.297 or 145.298 of the Revised Code.

(B)

- (1)
 - (a) Upon adoption of a retirement incentive plan, an employing unit shall notify the retirement system of the adoption on a form provided by the public employees retirement board. A copy of the proposed plan shall be attached to the form. In the case of a retirement incentive plan established under section 145.297 of the Revised Code, the employing unit shall notify the retirement system at least sixty days prior to the date the plan goes into effect. In the case of a retirement incentive plan established under section 145.298 of the Revised Code, the employing unit shall notify the retirement system immediately upon adoption of the plan.

(b) Notwithstanding paragraph (B)(1)(a) of this rule, in the event a subordinate designation of an employing unit is made:

- (i) If by a state entity, notice to the retirement system shall be submitted by the appointing authority and include the signatures of the fiscal officer reporting to the retirement system and head of the subordinate employing unit; or
- (ii) If by a county board of commissioners, notice to the retirement system shall be submitted by the commissioners and include the signatures of the county auditor and head of the subordinate employing unit; or
- (iii) If by a municipal corporation legislative authority, notice to the retirement system shall be submitted by the legislative authority and include the signatures of the fiscal officer reporting to the retirement system and head of the subordinate employing unit.

(2) The plan must be in writing and meet the following minimum requirements:

- (a) Incorporate the approval of the employing unit;
- (b) Provide for the employing unit's purchase and payment of service credit;
- (c) For retirement incentive plans adopted under section 145.297 of the Revised Code and received by the retirement system on or after January 1, 2008, provide for a prospective effective date of the plan that shall be at least sixty days after receipt by the retirement system of the notice described in paragraph (B) of this rule;
- (d) Specify the maximum number of years that can be purchased, not to exceed five years, and in no event to exceed an amount of service credit equal to one-fifth of the total service credited to an eligible employee under Chapter 145. of the Revised Code, exclusive of service credit purchased under the plan;
- (e) Be in effect for a minimum of one year except as provided in division (D) of section 145.298 of the Revised Code;
- (f) No more than one plan shall be in effect at one time for an employing unit or subordinate employing unit;
- (g) Be offered to not less than five per cent of the employing unit or subordinate employing unit's employees who are members of the retirement system as of the date the plan goes into effect;

- (h) Provide a grievance procedure for timely and impartial resolution of disputes arising under the plan; and
 - (i) Provide thirty days prior notice to employees of the termination of the retirement incentive plan.
 - (3) In addition to providing thirty days prior notice to its employees of the termination of a retirement incentive plan, the employing unit shall provide similar written notice to the retirement system at the same time.
 - (4) Upon the written request of an employing unit or a subordinate employing unit, a retirement incentive plan may be extended beyond the date designated in the original plan. Such request shall be submitted in the same manner as notice of adoption of the original plan is required in this paragraph.
- (C) Requests by an employing unit for the cost of service credit to be purchased for an employee under a retirement incentive plan shall be submitted to the retirement system on a form provided by the retirement board.
- (D)
- (1) The additional liability resulting from a retirement incentive plan is established under contract as an employer liability by the employee-employer agreement. The cost to the employing unit for each year or fraction of a year of credit to be purchased will be determined by factors recommended by the retirement system's actuary that yield an amount equal to the additional liability for the service credit to be purchased. Factors to establish actuarial cost will be revised no more than once annually and after such revision is approved by the retirement board shall apply to new credit calculations. The cost shall be stated in a statement of cost to the employer that shall be valid when computed for payment not earlier than three months preceding the effective benefit date.
 - (2) Except as otherwise provided in this rule, the employing unit shall pay in one payment after notice by the retirement system to the employing unit, or contract to pay, the cost of the service credit to be purchased by the earlier of either the last day of the month preceding the employee's effective benefit date, or the termination date of the retirement incentive plan.
 - (3) Notwithstanding paragraph (D)(2) of this rule, an employing unit that has established a voluntary retirement incentive plan pursuant to section 145.297 of the Revised Code, and that is terminating operations as a whole or in part shall pay in one payment after notice by the retirement system to the employing unit, or contract to pay, the cost of the service credit to be purchased by the earlier

of either the last day of the month preceding the employee's effective benefit date, or the last day of operations.

- (4) Any amounts not paid timely by the employing unit shall be certified for collection pursuant to section 145.51 of the Revised Code.
- (E)
- (1) The service credit contracted for purchase under the retirement incentive plan shall be credited to the employee by the retirement system under the terms of the employee-employer agreement and the employee shall retire within ninety days thereafter.
 - (2) If an employee dies prior to an effective benefit date, a qualifying beneficiary shall be entitled only to those benefits provided by section 145.43 or 145.45 of the Revised Code exclusive of service credit which may have been available under a retirement incentive plan.
- (F) Except as provided in sections 145.297 and 145.298 of the Revised Code, an employee who retires with service credit purchased pursuant to a retirement incentive plan is subject to the rights, privileges and obligations under sections 145.01 to 145.59 of the Revised Code in effect at the time of retirement.
- (G)
- (1) "Total service credit" as used in section 145.297 or 145.298 of the Revised Code means all service that is credited pursuant to Chapter 145. of the Revised Code.
 - (2) Third-party requests for the total service credit of a member shall be honored only if accompanied by the member's written authorization that includes the member's federal identification number.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.297
Rule Amplifies: 145.297, 145.298
Prior Effective Dates: 12/22/1986 (Emer.), 04/03/1987, 02/01/1988,
10/09/2000, 01/01/2003, 01/01/2007, 01/01/2008
(Emer.), 01/19/2008, 01/07/2013 (Emer.), 03/24/2013,
01/01/2017

145-2-44

Selection of payment plan-spousal consent.

- (A) A contributor who is married at the time of retirement under section 145.32, 145.33, 145.331, 145.332, 145.37, or 145.46 of the Revised Code, section 9.02 or 9.03 of the combined plan document, or section 9.02 of the member-directed plan document, or at the time benefits are to commence under section 145.384 or 145.64 of the Revised Code, shall receive a retirement benefit under the joint-life plan with one-half of such allowance continuing after death to the contributor's surviving spouse unless one of the following apply:
- (1) The spouse consents on a form provided by the public employees retirement system that the spouse is aware that the contributor has selected the joint-life plan with one-half of such allowance continuing after death to the contributor's surviving spouse and a partial lump sum option payment as defined in rule 145-1-65 of the Administrative Code, or a payment plan other than a joint-life plan with one-half of such allowance continuing after death to the contributor's surviving spouse.
 - (2) The public employees retirement board waives the requirement of a spousal consent in accordance with rule 145-1-70 or rule 145-3-11 of the Administrative Code;
 - (3) The contributor is required to elect a plan of payment and designate a former spouse as beneficiary pursuant to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property and the contributor also designates the contributor's current spouse as a beneficiary under that plan.
 - (4) The retirement system is required to commence a benefit described in this paragraph in accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder.
- (B) This paragraph applies to a contributor who elects a plan of payment under which a portion of the contributor's benefit continues, after the death of the contributor, to two, three, or four surviving beneficiaries. A contributor's current spouse must also consent to the election of a plan of payment described in this paragraph if either of the following applies:
- (1) The contributor is not subject to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property that requires the contributor to elect the plan of payment described in this paragraph;

- (2) The contributor is ordered to designate a former spouse as beneficiary of a specified portion of the benefit under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property, but also designates a beneficiary or beneficiaries other than the contributor's current spouse and former spouse under that plan of payment.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.46
Rule Amplifies: 145.32, 145.33, 145.331, 145.332, 145.37, 145.384,
145.46, 145.64
Prior Effective Dates: 08/06/1990, 02/01/1993, 09/27/1998, 11/02/2000,
01/01/2003, 01/01/2004 (Emer.), 02/16/2004,
10/27/2006, 04/06/2007 (Emer.), 07/01/2007,
04/01/2008 (Emer.), 06/23/2008, 01/07/2013 (Emer.),
03/24/2013, 09/01/2013 (Emer.), 09/16/2013

145-2-45

Benefit payable pursuant to section 145.331 of the Revised Code.

- (A) Benefits available under section 145.331 of the Revised Code shall be effective as provided in that section.
- (B) A disability benefit recipient who applies for retirement under section 145.331 of the Revised Code shall select a plan of payment and designate a beneficiary pursuant to section 145.46 of the Revised Code. A plan of payment or a beneficiary may be changed only pursuant to section 145.46 of the Revised Code and rule 145-2-47 of the Administrative Code.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.331
Prior Effective Dates: 02/01/1993, 10/09/2000, 01/01/2003, 01/01/2007

145-2-46

Beneficiary's percentage under joint-life and multiple-life plans.

Unless a court order specifically requires a member to allocate to the member's former spouse less than ten per cent of the member's monthly retirement allowance, the portion of a retirement allowance that continues after death to a member's surviving beneficiary pursuant to the plan of payment described in division (B)(1) or (B)(3) of section 145.46 of the Revised Code or section 9.03 (e)(1)(i) or (e)(1)(iii) of the combined plan document shall be expressed as a whole percentage and shall meet or exceed the greater of the following:

- (A) Ten per cent of the member's monthly retirement allowance;
- (B) A percentage that causes the beneficiary's monthly benefit to be at least fifty dollars.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.46
Rule Amplifies: 145.32, 145.33, 145.331, 145.332, 145.37, 145.46
Prior Effective Dates: 07/01/2004, 10/27/2006, 04/06/2007 (Emer.),
07/01/2007, 01/01/2010, 01/07/2013 (Emer.),
03/24/2013, 09/01/2013 (Emer.), 09/16/2013,
01/01/2021

145-2-47

Beneficiary and payment plan changes after retirement.

(A) Section 145.46 of the Revised Code as effective January 7, 2013, renames the plans of payment available under sections 145.32, 145.33, 145.332, and 145.46 and former section 145.34 of the Revised Code. For purposes of Chapter 145. of the Revised Code and Chapters 145-1 to 145-4 of the Administrative Code, such payment plans shall be treated the same as follows:

- (1) A straight or single life annuity payment plan and plan B shall be known as “the single-life plan”.
- (2) An option 1 payment plan and plan D shall be known as “the joint-life plan”.
- (3) An option 2 payment plan and plan A when the retirant's spouse is the retirant's beneficiary and the amount payable after the retirant's death is fifty per cent shall be known as “the joint-life plan”.
- (4) An option 2 payment plan and plan C when the beneficiary is someone other than the retirant's spouse or the amount payable to a beneficiary after the retirant's death is other than fifty per cent shall be known as “the joint-life plan”.
- (5) An option 3 payment plan and plan E.
- (6) Plan F shall be known as “the multiple-life plan”.

(B) Except as provided in paragraph (I) of this rule, a designation of beneficiary may be changed after retirement when the retirant is receiving benefits under:

- (1) A payment plan B or the single-life plan.
- (2) A payment plan E, under the version of section 145.46 in effect immediately prior to January 7, 2013, but the payment plan cannot be changed.

(C) When a retirant is receiving benefits under the joint-life plan, the plan shall be changed to the single-life plan and a new beneficiary may be designated:

- (1) The first day of the month following the date on which the public employees retirement system receives the death certificate of the spouse or other individual designated as beneficiary under the plan, but any change in the benefit amount shall be effective the first day of the month following the date of death of the spouse or beneficiary.
- (2) On the first day of the month after receipt of the election of the retirant to revert to the single-life plan following divorce, annulment or dissolution of marriage with a spouse designated as beneficiary under the plan, except that no benefit

shall be increased without the written consent of the former spouse who was the designated beneficiary or an order from the court with jurisdiction over the termination of the marriage.

- (D) The right to have the joint-life plan recomputed as the single-life plan upon notice of the date of death of the beneficiary, or upon divorce, annulment or dissolution of marriage with a spouse who was designated as beneficiary, applies to all retirants who are receiving benefits under the joint-life plan regardless of the original effective date of benefits.
- (E) Upon the marriage or remarriage of a retirant receiving benefits under the multiple-life plan, the retirant may designate the new spouse as a beneficiary under the multiple-life plan only if the retirant does not already have four beneficiaries designated under that plan at the time the retirant applies to add the new spouse.
- (F)
 - (1) The death or disqualification of any designated beneficiary under the multiple-life plan shall not change the plan of payment. The the multiple-life plan benefit shall continue to the remaining designated beneficiaries in their same percentages. If the death or disqualification occurs prior to the retirant's death, the deceased beneficiary's portion shall revert to the retirant for the remainder of his or her lifetime.
 - (2) A retirant may not cancel the multiple-life plan and return to a single lifetime benefit equivalent until the date of death of all designated beneficiaries under that plan. The effective date of this change shall be the first day of the month following the date of death of the last living beneficiary.
- (G) A retirant who is receiving benefits under the single-life plan may, upon the retirant's later marriage or remarriage, elect to have the retirant's benefit recomputed as the joint-life plan and designate only the new spouse as beneficiary, as provided in division (H) of section 145.46 of the Revised Code, sections 9.02(f) and 9.03(h) of the combined plan document, and section 9.02(f) of the member-directed plan document. The actuarial factors shall be based on the actuarial ages of the retirant and beneficiary at the time the benefit is recomputed.
- (H) A retirant who elected to receive a partial lump sum option payment, as defined in rule 145-1-65 of the Administrative Code, shall have the partial lump sum option payment accounted for upon the recomputation of the retirant's benefit.
- (I) Any request for a change of plan of payment or of beneficiary shall be made on a form approved by the public employees retirement board. If a retirant dies prior to the

retirement system's receipt of the form, the retirant's request for a change of plan of payment or beneficiary is void.

- (J) For those retirants whose benefit is commenced under the single-life plan in accordance with section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401, and the regulations thereunder, not later than one year after the effective date of the benefit described in this paragraph, a retirant who was married on the effective date of the benefit may elect the joint-life plan based on the actuarial equivalent of the retirant's single life annuity as determined by the board and designate the retirant's current spouse as beneficiary. The election shall be made on a form approved the retirement system and shall be effective on the effective date of the benefit paid under the single-life plan. Any benefit overpayment may be recovered as provided in section 145.563 of the Revised Code.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.32, 145.33, 145.332, 145.43, 145.46
Prior Effective Dates:	08/20/1976, 10/30/1978, 08/06/1990, 09/27/1998, 01/01/2003, 01/01/2004 (Emer.), 02/16/2004, 06/06/2005 (Emer.), 08/11/2005, 10/27/2006, 05/08/2007 (Emer.), 08/09/2007, 04/01/2008 (Emer.), 06/23/2008, 01/01/2010, 01/07/2013 (Emer.), 03/24/2013, 09/01/2013 (Emer.), 09/16/2013, 01/01/2017

145-2-48

Beneficiary and payment plan changes after commencement of additional annuity.

- (A) Except as provided in paragraph (G) of this rule, a designation of beneficiary may be changed after commencement of benefits under section 145.64 of the Revised Code when the contributor is receiving benefits under the single-life plan.
- (B) When a contributor is receiving an additional annuity under a plan providing continuing lifetime payments to a designated beneficiary, the plan shall be changed to the single-life plan and a new beneficiary may be designated:
- (1) The first day of the month following the date on which the public employees retirement system receives the death certificate of the individual designated as beneficiary under the plan, but any change in the benefit amount shall be effective the first day of the month following the date of death of the beneficiary.
 - (2) On the first day of the month after receipt of the election of the contributor to revert to the single-life plan following divorce, annulment, or dissolution of marriage with a spouse designated as beneficiary under the plan, except that no benefit shall be increased without the written consent of the former spouse who was the designated beneficiary or an order from the court with jurisdiction over the termination of the marriage.
- (C) The right to have a plan providing continuing lifetime payments to a designated beneficiary recomputed as the single-life plan upon the date of death of the beneficiary, or upon divorce, annulment or dissolution of marriage with a spouse who was designated as beneficiary, applies to all contributors who are receiving benefits under former section 145.23 or section 145.64 of the Revised Code, regardless of the original effective date of the benefits.
- (D) Upon the marriage or remarriage of a contributor receiving benefits under the multiple-life plan, the contributor may designate the new spouse as a beneficiary under the multiple-life plan only if the contributor does not already have four beneficiaries designated under that plan at the time the contributor applies to add the new spouse.
- (E) The death of any designated beneficiary under the multiple-life plan shall not change the plan of payment. The the multiple-life plan benefit shall continue to the remaining designated beneficiaries in the same percentages and the deceased beneficiary's portion shall revert to the contributor for the remainder of his or her lifetime. A contributor may not cancel the plan of payment and return to a single lifetime benefit equivalent until the date of death of all designated beneficiaries under that plan. The effective date of this change shall be the first day of the month following the date of death of the last living beneficiary.

- (F) A contributor who is receiving benefits under the single-life plan may, upon the contributor's later marriage or remarriage, elect to have the contributor's benefit under the single-life plan recomputed as the joint-life plan with one-half of such allowance continuing after death to the contributor's surviving spouse, as provided in division (F) of section 145.64 of the Revised Code. The actuarial factors shall be based on the actuarial ages of the retirant and spouse beneficiary at the time the benefit is recomputed.
- (G) Any request for a change of plan of payment or beneficiary shall be made on a form approved by the public employees retirement board. If a contributor dies prior to the retirement system's receipt of the form, the contributor's request for a change of plan of payment or beneficiary is void.
- (H) For those contributors whose benefit under section 145.64 of the Revised Code is commenced under the single-life plan in accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder, not later than one year after the effective date of the benefit described in this paragraph, a contributor who was married on the effective date of the benefit may elect the joint-life plan with one-half of such allowance continuing after death to the contributor's surviving spouse based on the actuarial equivalent of the contributor's single life annuity as determined by the board. The election shall be made on a form approved by the retirement system and shall be effective on the effective date of the benefit paid under the single-life plan. Any benefit overpayment may be recovered as provided in section 145.563 of the Revised Code.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.62
Rule Amplifies: 145.64
Prior Effective Dates: 04/06/2007 (Emer.), 07/01/2007, 07/30/2007 (Emer.),
11/18/2007, 04/01/2008 (Emer.), 06/23/2008,
01/01/2010, 01/07/2013 (Emer.), 03/24/2013,
09/01/2013 (Emer.), 09/16/2013

145-2-49

Retirement benefits for law enforcement officers.

(A) Definitions

- (1) "Law enforcement officer" means a member described in division (YY) of section 145.01 of the Revised Code.
- (2) "Law enforcement service" means service as a law enforcement officer or public safety officer.
- (3) "Non-law enforcement service" means service covered by the public employees retirement system that is other than law enforcement service.
- (4) "Public safety officer" means a member described in division (AAA) of section 145.01 of the Revised Code.

(B) If a law enforcement or public safety officer is eligible, applies for, and elects to receive retirement benefits pursuant to division (I)(2) or (I)(3) of section 145.332 of the Revised Code, the law enforcement or public safety officer shall elect one of the following, subject to the limitation described in division (N) of that section:

- (1) For a member who has law enforcement service and non-law enforcement service prior to March 22, 2019, either a monthly benefit as provided in division (I)(2)(b) and (I)(2)(c) or (I)(3)(b) and (I)(3)(c) of section 145.332 of the Revised Code or a lump sum payment discounted to the present value of the non-law enforcement service benefit.
- (2) For a member who is not described in paragraph (B)(1) of this rule, either a monthly benefit as provided in division (I)(2)(b) and (I)(2)(c) or (I)(3)(b) and (I)(3)(c) of section 145.332 of the Revised Code or an amount determined under section 145.40 of the Revised Code as a refund of accumulated contributions for the non-law enforcement service.

(C) If, at the time of the retirant's death, the retirant has received a total amount of monthly benefits that were less than the retirant would have received as described paragraph (B) of this rule, the difference between the amount the retirant received and the amount the retirant would have received shall be paid to the retirant's beneficiary in a one-time payment,

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.332
Prior Effective Dates:	08/20/1976, 07/31/1989, 12/30/1991, 12/06/1993, 02/03/2000, 04/05/2001, 01/01/2003, 01/01/2006, 01/01/2007, 01/01/2010, 01/07/2013 (Emer.), 03/24/2013, 09/01/2017, 05/20/2019

145-2-50

Acturial reduction factors.

The public employees retirement board shall, based on the recommendation of the board's actuary, establish the percentage rate for the reductions described in division (A)(2) of section 145.33 of the Revised Code.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.33
Prior Effective Dates:	01/07/2013 (Emer.), 03/24/2013

145-2-51

Effective date of benefits.

Benefits available pursuant to section 145.32, 145.33, 145.332, 145.43, 145.45 or 145.46 of the Revised Code shall be effective the first day of the month immediately following the latest of the following:

(A) For a member:

- (1) The last date for which compensation was paid;
- (2) Eligibility by attaining the required minimum age;
- (3) Eligibility by accumulating the required service credit;
- (4) Ninety days prior to receipt by the public employees retirement system of the member's completed application for retirement;
- (5) February 1, 2013, for retirement applications received by the retirement system on or after January 7, 2013.

(B) For a beneficiary:

- (1) The death of the contributor or retirant;
- (2) Attainment of eligibility.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.32, 145.33, 145.331, 145.332, 145.43, 145.45, 145.46
Prior Effective Dates:	08/20/1976, 08/01/1992, 02/01/1993, 09/27/1998, 01/01/2003, 01/01/2007, 01/12/2008, 01/07/2013 (Emer.), 03/24/2013

145-2-52

Application by a contributor for refund of accumulated contributions.

For purposes of division (A)(2) of section 145.40 of the Revised Code, "eligible for age and service retirement" means a contributor is eligible for a retirement benefit under section 145.32, 145.33, 145.331, or 145.332 of the Revised Code on or before the first of the month following the date the application for a refund is received by the public employees retirement system.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.40
Prior Effective Dates:	04/05/2001, 01/01/2003, 12/24/2004, 01/07/2013 (Emer.), 03/24/2013

145-2-53

Cost of living adjustment.

- (A) As used in this rule, "alternate payee" has the same meaning as in section 3105.80 of the Revised Code.
- (B) A benefit recipient who has received an allowance for at least twelve months shall have such allowance increased pursuant to section 145.323 of the Revised Code and as provided in this rule on the annual anniversary of the recipient's effective benefit date.
- (C) A new benefit base upon which a cost of living adjustment shall be calculated shall be established when:
- (1) A post retirement increase is granted, other than a cost of living adjustment or a payment representing reimbursement of premium for medicare part "B".
 - (2) A retirant receiving under the joint-life plan dies and the surviving beneficiary begins receiving a portion of the amount previously paid to the retirant.
 - (3) A survivor benefit is adjusted as the result of adding or removing survivor dependents.
 - (4) A retirant receiving under the joint-life plan reverts to the single-life plan as a result of the death of the beneficiary spouse, or divorce or dissolution of marriage as authorized in section 145.46 of the Revised Code and rule 145-2-47 of the Administrative Code.
 - (5) A retirant receiving under the multiple-life plan reverts to to the single-life plan as a result of the removal of all beneficiaries as authorized in section 145.46 of the Revised Code and rule 145-2-47 of the Administrative Code.
 - (6) The benefit established at retirement is recalculated for any reason except for a cost of living adjustment or reimbursement of premium for medicare part "B."
 - (7) A part of a benefit is waived then the base shall be the portion being paid. If a waiver is withdrawn, the full base shall be re-established.
- (D) For allowances that became payable before October 27, 2006, the apportionment of a cost of living adjustment between a benefit recipient and an alternate payee pursuant to division (B) of section 145.323 of the Revised Code shall begin with the next cost of living adjustment granted on or after October 27, 2006, and shall continue while the order is in effect.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.323
Prior Effective Dates:	08/20/1976, 10/11/1988, 08/06/1990, 01/31/1998, 10/07/2001, 03/22/2002, 01/01/2003, 10/27/2006, 09/01/2013 (Emer.), 09/16/2013

145-2-54

Enhanced refund.

(A) As used in this rule:

- (1) “Eligible contributions” means amounts contributed by a member under section 145.47 of the Revised Code and, if applicable, the amounts paid by the member to purchase or restore service credit under section 145.302 or 145.31 of the Revised Code. “Eligible contributions” does not include contributions that were used in the payment of a disability benefit under section 145.36 of the Revised Code or were refunded to the member because the system was not authorized to accept the contributions.
- (2) “Service credit” has the same meaning as defined in section 145.401 of the Revised Code.

(B) For purposes of division (B) of section 145.401 of the Revised Code:

- (1) If a member has, or at the time of death had, at least five years of service credit but less than ten years of service credit, the amount shall equal thirty-three per cent of the member’s eligible contributions.
- (2) If a member has, or at the time of death had, at least ten years of service credit, the amount shall equal sixty-seven per cent of the member’s eligible contributions.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.401
Rule Amplifies: 145.401
Prior Effective Dates: 01/07/2013 (Emer.), 03/24/2013, 07/07/2013 (Emer.),
09/16/2013

ACTION: No Change

DATE: 09/30/2021 9:08 AM

145-2-57

Annual interest credited to contributor accounts.

The public employees retirement board shall set the annual interest rate to be credited to contributor accounts pursuant to division (A) of section 145.473 of the Revised Code.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.473
Prior Effective Dates:	04/05/2001, 01/01/2003

145-2-60

Designation of beneficiaries under the multiple-life plan.

The portion of the lesser amount continuing after death to two, three, or four surviving beneficiaries designated at the time of a member's retirement or at the time of commencement of a contributor's benefit under section 145.384 or 145.64 of the Revised Code shall be allocated among the beneficiaries in whole percentages only.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.384, 145.46, 145.64
Prior Effective Dates:	10/27/2006, 04/06/2007 (Emer.), 07/01/2007, 09/01/2013 (Emer.), 09/16/2013

145-2-62

Calculation of amount due retirant or contributor with multiple beneficiaries under the multiple-life plan.

- (A) This rule applies to a retirant or contributor who elects a plan of payment under which a portion of the contributor's benefit continues, after the death of the contributor, to two, three, or four surviving beneficiaries. Amounts due to a retirant or contributor receiving a monthly benefit and unpaid to the retirant or contributor at death, shall be paid to the beneficiary designated in writing on a form provided by the public employees retirement board, signed by the retirant or contributor and filed with the board.
- (B) The amount payable to each surviving designated beneficiary shall be determined by multiplying the amount due the retirant or contributor under the plan of payment described in paragraph (A) of this rule by a fraction whose numerator is the gross monthly amount that the beneficiary will be paid and whose denominator is the total gross monthly amount that all beneficiaries will be paid.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.384, 145.46, 145.64
Prior Effective Dates:	10/27/2006, 04/06/2007 (Emer.), 07/01/2007, 09/01/2013 (Emer.), 09/16/2013

145-2-64

Priority of multiple court orders under the multiple-life plan.

If, at the time of retirement or at the time of commencement of a benefit under section 145.384 or 145.64 of the Revised Code, a member or contributor is subject to more than one court order issued under section 3105.171 or 3105.65 of the Revised Code, or the laws of another state regarding the division of marital property, the public employees retirement system shall establish the priority in which the court orders will be administered by the retirement system. Priority shall be established by the earliest date on which the orders were received by the retirement system.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.384, 145.46, 145.64
Prior Effective Dates:	10/27/2006, 04/06/2007 (Emer.), 07/01/2007, 09/01/2013 (Emer.), 09/16/2013

145-2-65

Internal Revenue Code limitations on benefits.

(A) In addition to other limitations set forth in Chapter 145. of the Revised Code, the defined benefit payable to a member under the traditional pension plan or the defined benefit payable to a member under the combined plan shall not exceed the applicable limits under section 415(b) of the Internal Revenue Code, as periodically adjusted by the secretary of the treasury under section 415(d) of the Internal Revenue Code. This adjustment shall also apply to a member who has had a severance from employment or, if earlier, an annuity starting date. Benefits that are subject to section 415(b) of the Internal Revenue Code shall comply with the foregoing limit in each year during which payments are made. The foregoing limit shall be adjusted pursuant to the requirements of sections 415(b)(2)(C) and (D) of the Internal Revenue Code relating to the commencement of benefits at a date prior to age sixty-two or after age sixty-five, subject to other applicable rules. Any member whose benefits were limited by the application of section 415 of the Internal Revenue Code immediately prior to its amendment by the Economic Growth and Tax Relief Reconciliation Act of 2001 shall, for limitation years ending on or after July 1, 2002, have his or her benefit increased to the amount computed under the applicable plan, but not in excess of the limits of section 415(b)(1)(A) of the Internal Revenue Code of 1986, 26 U.S.C.A. 415(b)(1)(A), as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001.

(B)

(1) For purposes of this rule, "compensation" means compensation as defined in section 415(c)(3) of the Internal Revenue Code and section 1.415(c)-2(d)(3) of the Treasury Regulations, 72 Fed. Reg. 16878, April 5, 2007. In general, section 415(c)(3) of the Internal Revenue Code defines compensation as all of a member's wages as defined in section 3401(a) of the Internal Revenue Code for the purposes of income tax withholding at the source, but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in section 3401(a)(2) of the Internal Revenue Code). Compensation shall also include the amount of any elective deferrals, as defined in section 402(g)(3) of the Internal Revenue Code; any amount contributed or deferred by the employer at the election of the employee and which is not includible in the gross income of the employee by reason of sections 125, 132(f)(4) or 457 of the Internal Revenue Code; and effective January 1, 2009, differential wage payments as defined in section 3401(h)(2) of the Internal Revenue Code.

(2) In addition, compensation shall include the following amounts:

- (a) Regular compensation for services. Compensation shall include regular compensation for services that, absent a severance from service, would have been paid to the member if the member continued in employment with the employer, in accordance with section 1.415(c)-2(e)(3)(ii) of the Treasury Regulations, to the extent required under section 1.415(c)-2(e)(3)(i) of the Treasury Regulations.
- (b) Payments to reservists. Compensation shall include payments to a member who does not currently perform services for an employer by reason of qualified military service made in accordance with the employer's current policy with regard to such qualified military service, to the extent these payments do not exceed the amount the individual would have received if the individual had continued to perform services for the employer rather than entering qualified military service, in accordance with section 1.415(c)-2(e)(4) of the Treasury Regulations.
- (c) Back pay. Compensation shall include payments of back pay within the meaning of section 1.415(c)-2(g)(8) of the Treasury Regulations.

(3) "Compensation" shall not include the following amounts:

- (a) Foreign compensation. Compensation shall not include amounts paid as compensation to a nonresident alien, as defined in section 7701(b)(1)(B) of the Internal Revenue Code, who is not a member, to the extent the compensation is excludable from gross income and is not effectively connected with the conduct of a trade or business within the United States, in accordance with section 1.415(c)-2(g)(5)(ii) of the Treasury Regulations.
- (b) Scheduled deferred compensation payments. Compensation shall not include payments to a member in accordance with a nonqualified unfunded deferred compensation plan, even if such amount would have been paid at the same time if employment had continued, in accordance with section 1.415(c)-2(e)(3)(iii)(B) of the Treasury Regulations.
- (c) Disability payments. Compensation shall not include amounts received on account of the member's permanent and total disability (as defined in section 22(e)(3) of the Internal Revenue Code and described in section 1.415(c)-2(g)(4) of the Treasury Regulations).
- (d) Cross-over year payments. Compensation shall not include amounts earned during the limitation year but not paid during that limitation year solely because of the timing of pay periods and pay dates if these amounts are

paid during the first few weeks of the next limitation year as permitted under section 1.415(c)-2(e)(2) of the Treasury Regulations.

- (C) The application of this rule shall not cause the maximum annual retirement allowance for any member to be less than the member's accrued benefit under all applicable defined benefit plans as of the end of the last limitation year beginning before July 1, 2007, under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, regulations, and other published guidance relating to section 415 of the Internal Revenue Code in effect as of the end of the last limitation year beginning before July 1, 2007, as described in section 1.415(a)-1(g)(4) of the Treasury Regulations.
- (D) No adjustment shall be required to a benefit subject to an automatic benefit increase feature described in section 1.415(b)-1(c)(5) of the Treasury Regulations.
- (E) To the extent that section 415 of the Internal Revenue Code and the Treasury Regulations thereunder require that an interest rate under section 417(e) of the Internal Revenue Code apply, the applicable look-back month shall be the fourth calendar month preceding the start of a plan year.
- (F) Notwithstanding any provision of Chapter 145. of the Revised Code to the contrary, the defined benefit payable to a member under the traditional pension plan or the defined benefit payable to a member under the combined plan shall be determined in accordance with the requirements of section 415(b) of the Internal Revenue Code and the Treasury Regulations thereunder. The limitation year is the plan year. For purposes of the foregoing, any changes required by the Pension Funding Equity Act of 2004 are also incorporated herein by reference.
- (G) Notwithstanding any provision of Chapter 145. of the Revised Code to the contrary, to the extent that any defined contribution feature of any plan under this chapter is subject to section 415(c) of the Internal Revenue Code and such feature does not already have section 415(c) of the Internal Revenue Code limitation language applicable to the feature, the feature shall comply with section 415(c) of the Internal Revenue Code and the Treasury Regulations thereunder. For such purposes, the definition of "compensation" in paragraph (B) of this rule shall apply.
- (H) Effective January 1, 2007, notwithstanding any provision of Chapter 145. of the Revised Code to the contrary, the survivor of a member on a leave of absence to perform military service with reemployment rights described in section 414(u) of the Internal Revenue Code, where the member cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than

benefit accruals relating to the period of qualified military service) that would be provided under Chapter 145. of the Revised Code had the member died as an actively contributing member to the extent required by section 401(a)(37) of the Internal Revenue Code.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under:	111.15
Statutory Authority:	145.09
Rule Amplifies:	145.09
Prior Effective Dates:	07/11/2009, 01/01/2012, 12/10/2012, 01/07/2013 (Emer.), 03/24/2013

145-2-67

Eligible rollover distributions from this plan.

- (A) A distributee may elect, at the time and in the manner prescribed by the board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

Effective January 1, 2010, a non-spouse beneficiary may elect to make a direct rollover to an inherited individual retirement account or annuity described in section 408(a) or 408(b) of the Internal Revenue Code, or a Roth individual retirement account or annuity described in section 408A of the Internal Revenue Code that is established on behalf of the beneficiary. Such rollover shall be made in a manner consistent with the section 402(c)(11) of the Internal Revenue Code and any other applicable guidance.

- (B) The following definitions apply to this rule:

- (1) "Eligible rollover distribution" means a lump sum distribution from the member or contributor's account pursuant to section 145.40, 145.63, or division (H) of section 145.384 of the Revised Code, except that "eligible rollover distribution" does not include either of the following:

(a) Any distribution to the extent such distribution is required under section 401(a)(9) of the Internal Revenue Code;

(b) The portion of any distribution that is not includible in gross income, unless the distribution is being rolled over to either (1) a traditional individual retirement account or individual retirement annuity under section 408(a) or 408(b) of the Internal Revenue Code or (2) a qualified trust which is part of a plan which is a defined contribution plan under section 401(a) or 403(a) of the Internal Revenue Code that will separately account for the distribution, including the taxable and non-taxable portions of the distribution, in a direct trustee-to-trustee transfer.

- (2) "Eligible retirement plan" means any program defined in sections 401(a)(31) and 402(c)(8)(B) of the Internal Revenue Code that accepts the member or contributor's eligible rollover distribution, as follows:

(a) An individual retirement account under section 408(a) of the Internal Revenue Code;

(b) An individual retirement annuity under section 408(b) of the Internal Revenue Code (other than an endowment contract);

(c) A qualified trust;

- (d) An annuity plan under section 403(a) of the Internal Revenue Code;
 - (e) An eligible deferred compensation plan under section 457(b) of the Internal Revenue Code that is maintained by an eligible employer under section 457(e)(1)(A) of the Internal Revenue Code (so long as the plan agrees to separately account for amounts rolled into the plan);
 - (f) An annuity contract under section 403(b) of the Internal Revenue Code; and
 - (g) Effective January 1, 2008, a Roth individual retirement account or annuity described in section 408A of the Internal Revenue Code, subject to the limitations set forth in such Internal Revenue Code provision; provided, however, that the plan is not responsible for assuring that a distributee is eligible to make such a rollover.
- (3) "Distributee" means a member or contributor, as well as the surviving spouse of a member or contributor.
- (4) "Direct rollover" means a payment by the retirement system to the eligible retirement plan specified by the distributee.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.384, 145.40, 145.43, 145.63
Prior Effective Dates: 01/01/2012, 01/07/2013 (Emer.), 03/24/2013

145-2-70

Mandatory direct deposit.

- (A) For purposes of this rule, "alternate payee" has the same meaning as defined in section 3105.80 of the Revised Code.
- (B) Except as provided in paragraph (C) of this rule, all benefits or payments paid in the form of a refund or monthly annuity to individuals with a United States address on file with the public employees retirement system shall be paid by direct deposit, which is an electronic fund transfer directly to an individual's account at a financial institution. Recipients of a benefit or payment and alternate payees shall provide to the retirement system valid direct deposit account and routing numbers, the name and contact information of the financial institution, and such other information as may be required by retirement system. The retirement system may withhold a benefit or payment until the benefit recipient or alternate payee provides the information described in this paragraph.
- (C) If a recipient of a benefit or payment or alternate payee resides more than fifteen miles from a financial institution that provides direct deposit accounts, demonstrates that the individual is the victim of fraud or identity theft, or resides in a nursing or convalescent home, the recipient or alternate payee may submit a request for exemption from direct deposit on a form provided by the retirement system. The retirement system shall approve or deny the request.

Five Year Review (FYR) Dates: 9/30/2021 and 09/30/2026

CERTIFIED ELECTRONICALLY

Certification

09/30/2021

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.32, 145.33, 145.331, 145.332, 145.36, 145.361,
145.37, 145.384, 145.45, 145.46, 145.571, 145.64
Prior Effective Dates: 03/01/2010 (Emer.), 04/05/2010, 01/01/2011,
01/01/2012, 01/07/2013 (Emer.), 03/24/2013,
01/01/2019